

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/14/09

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT .....	1
 FINANCIAL STATEMENTS	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Statement of Functional Expenses .....	6
Notes to Financial Statements.....	7
 SUPPLEMENTAL INFORMATION	
Statement of Financial Position by School .....	13
Statement of Activities by School.....	15
Statement of Functional Expenses by School .....	17
 SCHEDULES REQUIRED BY STATE LAW (PERFORMANCE STATISTICAL DATA)	
Independent Accountant’s Report on Applying Agreed-Upon Procedures .....	18
Schedule 1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2007 .....	21
Schedule 2: Education Levels of Public School Staff .....	22
Schedule 3: Number and Type of Public Schools .....	23
Schedule 4: Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers .....	24
Schedule 5: Public School Staff Data .....	25
Schedule 6: Class Size Characteristics .....	26
Schedule 7: Louisiana Educational Assessment Program (LEAP) for the 21 <sup>st</sup> Century .....	27
Schedule 8: Graduation Exit Exam for the 21 <sup>st</sup> Century.....	28
Schedule 9: Integrated Louisiana Educational Assessment Program (iLEAP).....	29
 OMB CIRCULAR A-133 COMPLIANCE AND GOVERNMENT AUDITING STANDARDS REPORTS	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	31

## TABLE OF CONTENTS (CONTINUED)

### Page

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Awards Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards .....	33
Schedule of Expenditures of Federal Awards .....	36
Notes to Schedule of Expenditures of Federal Awards .....	38
Schedule of Findings and Questioned Costs .....	39
Summary Schedule of Prior Audit Findings and Questioned Costs .....	41

**FINANCIAL SECTION**

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
**Algiers Charter Schools Association**  
New Orleans, Louisiana

We have audited the accompanying Statements of Financial Position of Algiers Charter Schools Association ("ACSA") (a nonprofit organization), and the related Statements of Activities and Statement of Cash Flows for the years ended June 30, 2008 and 2007 and the Statement of Functional Expenses for the year ended June 30, 2008. These financial statements are the responsibility of the ACSA's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACSA as of June 30, 2008 and 2007, and the changes in net assets and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2008 on our consideration of ACSA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of ACSA taken as a whole. The accompanying combining and individual school financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of ACSA. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Reboue & Company*

December 16, 2008

## **BASIC FINANCIAL STATEMENTS**

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 4,539,592	\$ 6,375,406
Manual checks receivable	9,649	6,202
Intergovernmental receivables	11,022,971	4,320,582
Other receivables	2,067,903	89,089
Prepaid expenses	275,988	129,152
Total Current Assets	<u>17,916,103</u>	<u>10,920,431</u>
<b>Other Assets:</b>		
Deposits	<u>6,700</u>	<u>6,700</u>
<b>Non-Current Assets:</b>		
Property and equipment (net of accumulated depreciation)	<u>3,958,285</u>	<u>573,220</u>
Total Assets	<u>\$ 21,881,088</u>	<u>\$ 11,500,351</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 3,477,677	\$ 2,412,898
Due to other governments	130,026	234,539
Deferred revenue	22,446	224,506
Due to pooled cash, net	<u>1,437,755</u>	<u>777,158</u>
Total Current Liabilities	<u>5,067,904</u>	<u>3,649,101</u>
<b>Net Assets:</b>		
Unrestricted	<u>16,813,184</u>	<u>7,851,250</u>
Total Net Assets	<u>16,813,184</u>	<u>7,851,250</u>
Total Liabilities and Net Assets	<u>\$ 21,881,088</u>	<u>\$ 11,500,351</u>

The notes to the financial statements are an integral part of this statement.



**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>UNRESTRICTED NET ASSETS</b>		
<b>Public Support and Other Revenues</b>		
Unrestricted grants in aid - State	\$ 12,527,812	\$ 19,104,885
Restricted grants in aid - Federal and State	14,520,417	4,573,711
Donations - unrestricted	241,179	344,057
Miscellaneous revenue	<u>18,086,024</u>	<u>320,731</u>
Total Public Support and Other Revenues	<u>45,375,432</u>	<u>24,343,384</u>
 <b>Expenses</b>		
Program services:		
Instructional	18,121,131	14,936,063
Supporting services:		
Management and general	<u>18,292,367</u>	<u>10,640,209</u>
Total Expenses	<u>36,413,498</u>	<u>25,576,272</u>
 <b>Increase in Unrestricted Net Assets</b>	<u>8,961,934</u>	<u>(1,232,888)</u>
 Net assets at beginning of fiscal year	<u>7,851,250</u>	<u>9,084,138</u>
 Net assets at end of fiscal year	<u><u>\$ 16,813,184</u></u>	<u><u>\$ 7,851,250</u></u>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**For the Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Cash Flows from Operating Activities</b>		
Increase/(Decrease) in net assets	\$ 8,961,934	\$ (1,232,888)
Adjustments to reconcile decrease in net assets to net		
Cash provided by operating activities		
Depreciation	1,003,292	73,370
(Increase)/Decrease in assets:		
Accounts receivable	(8,684,650)	674,598
Prepaid insurance	(146,837)	4,737
Deposits	-	(2,870)
Increase/(Decrease) in liabilities:		
Accounts payable and other accrued expenses	960,266	1,755,671
Deferred revenues	(202,061)	(17,350)
Due to other fund	<u>660,597</u>	<u>1,387,025</u>
Net cash provided by operating activities	<u>2,552,541</u>	<u>2,642,293</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	<u>(4,388,355)</u>	<u>(601,130)</u>
Net cash used in investing activities	<u>(4,388,355)</u>	<u>(601,130)</u>
Net increase/(decrease) in cash and cash equivalents	(1,835,814)	2,041,163
Cash and cash equivalents, Beginning of Year	<u>6,375,406</u>	<u>4,334,243</u>
<b>Cash and cash equivalents, End of Year</b>	<u><u>\$ 4,539,592</u></u>	<u><u>\$ 6,375,406</u></u>

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2008 and 2007 (Totals Only)**

	<b>PROGRAM SERVICES</b>	<b>SUPPORT SERVICES</b>	
		<b>Management and General</b>	<b>Total Expenses</b>
<b>Expenses:</b>	<b>Instructional</b>		
Food service management	\$ -	\$ 1,265,145	\$ 1,265,145
Insurance	68,564	120,992	189,556
Other	41,733	2,719,349	2,761,082
Professional services	235,095	1,088,604	1,323,699
Rent	4,449	180,968	185,417
Repairs and maintenance	6,267	530,950	537,217
Salaries and benefits	16,740,690	8,026,013	24,766,703
Supplies	986,111	899,055	1,885,166
Transportation	-	2,086,436	2,086,436
Travel	38,222	843,934	882,156
Utilities	-	530,921	530,921
	<b>\$ 18,121,131</b>	<b>\$ 18,292,367</b>	<b>\$ 36,413,498</b>

The notes to the financial statements are an integral part of this statement.

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**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2008 and 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Algiers Charter Schools Association ("ACSA") was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education ("BESE") has granted ACSA seven (7) Type 5 charters to operate Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, Harriet R. Tubman Elementary, and O. Perry Walker Senior high. The charters are valid for an initial period of three (3) years ending on June 30, 2009 with the exception of Algiers Technology Academy, which expires on June 30, 2010. All ACSA schools are governed by the ACSA Board of Directors.

In addition to the seven (7) schools operated under the charter agreement with BESE, ACSA operates two (2) schools under a charter agreement with Orleans Parish School Board. These two (2) schools, Alice M. Harte Elementary and Edna Karr Senior High, are reported separately. Because the Central Office provides services to all nine (9) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management.

Income Tax Status

ACSA is a tax-exempt organization under Internal Revenue Code Section 501 (c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2008 and 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Deferred Revenue

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Cash and Cash Equivalents

Cash includes the amounts in demand deposits and interest – bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

Compensated Absences

ACSA compensates employees entitled to paid leave using their base hourly rate, excluding shift premiums and overtime compensation, if any.

*Paid time off* – All employees will earn two days of paid time off per month, up to ten (10) paid

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2008 and 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

days off accrued in the year for 11-month, 10-month, 9.75-month and 9.5-month employees and up to 24 days off accrued in the year for 12-month employees. ACSA employees have the right to carry over no more than fifteen (15) paid days off into the succeeding school year.

Basis of Presentation

ACSA follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-for-Profit Organizations*, which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

- Unrestricted - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - Net assets whose use by ACSA is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of ACSA pursuant to such stipulations.
- Permanently Restricted - Net assets whose use by ACSA is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of ACSA.

Property and Equipment

Property and equipment are capitalized at cost. It is ACSA's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed as incurred. Property and equipment are being depreciated over their estimated useful lives using the straight-line method using the following lives:

Office Equipment	4 – 10 years
Buildings and Improvements	20 – 50 years

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

ACSA had the following cash as of June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Demand Deposits	\$ 71,330	\$ 1,402,589
Time Deposits	4,468,262	4,972,817
	<u>\$ 4,539,592</u>	<u>\$ 6,375,406</u>

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2008 and 2007**

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. At June 30, 2008 and 2007, ACSA's demand deposit bank balances of \$1,210,649 and \$1,425,730, respectively, were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name.

**NOTE C - INTERFUND RECEIVABLES AND PAYABLES**

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2008 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
Central Office	\$ 6,946,340	Behrman	\$ 2,136,447
ATA	154,224	Eisenhower	3,353,188
McDonogh	111,142	Fischer	1,288,420
Central Office SR	107,699	Tubman	729,198
ATA SR	379,985	Walker	<u>6,090,999</u>
Behrman SR	1,368,715		
Eisenhower SR	805,205	Total	<u>\$ 13,598,252</u>
Fischer SR	1,074,705		
McDonogh SR	858,389		
Tubman SR	912,793		
Walker SR	<u>2,316,810</u>		
Total	<u>\$ 15,036,007</u>		

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ASCA's operations.

The total due to and due from pooled cash do not reconcile because of the general fund allocation described in Note A. The elimination of the due to/due from pooled cash results in a "Due to Pooled Cash" balance of \$1,437,755. This amount is offset by an equal "Due from Pooled Cash" on the governmental financial statements which includes Harte and Karr schools.

**NOTE D - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2008 and 2007 consists of the following:

	<u>2008</u>	<u>2007</u>
Furniture, fixtures, and equipment	\$ 5,003,745	\$ 615,390
Buildings & building improvements	33,507	33,507
Less: accumulated depreciation	<u>(1,078,967)</u>	<u>(75,677)</u>
Property and equipment, net	<u>\$ 3,958,285</u>	<u>\$ 573,220</u>



**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2008 and 2007**

**NOTE D - PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense for ACSA for the years ended June 30, 2008 and 2007 was \$1,003,292 and \$73,370, respectively.

During the years ended June 30, 2008 and 2007, ACSA acquired \$4,388,355 and \$601,130 in property and equipment, respectively.

**NOTE E - RETIREMENT PLANS**

ACSA offers participants in the Teachers' Retirement System (TRS), a state retirement plan, for those employees who are eligible to participate. TRS issues a separate financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, LA 70804-9123  
(225) 925-6446

1. *Plan Description*—All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State statute.

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRSL.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Years Ended June 30, 2008 and 2007**

**NOTE E - RETIREMENT PLANS (CONTINUED)**

2. *Contributions Required and Made*—Covered employees and ACSA are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	16.6%

ACSA's contributions for the years ended June 30, 2008 and 2007 were \$3,017,531 and 1,636,283, respectively.

**NOTE F - CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

**NOTE G - RISK MANAGEMENT**

ACSA is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

## **SUPPLEMENTAL INFORMATION**

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION BY SCHOOL**  
**June 30, 2008 and 2007 (Totals Only)**

	2008							
	School Funds							
ASSETS	Central Office	ATA	Behman	Eisenhower	Fischer	McDonough	Tubman	Walker
Current Assets:								
Cash and cash equivalents	\$ 4,539,435	\$ -	\$ -	\$ -	\$ 157	\$ -	\$ -	\$ -
Prepaid expenses	7,685	8,610	46,472	43,777	38,155	26,749	37,397	67,143
Accounts receivable	9,649	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	35,350
Other receivables	2,102	-	364,539	385,025	286,014	172,527	291,262	566,124
Due from pooled cash	-	-	2,136,447	3,353,188	1,288,420	-	729,198	5,090,999
Total Current Assets	4,558,871	8,610	2,547,458	3,781,990	1,612,746	199,276	1,057,857	6,759,616
Other Assets:								
Deposits	-	-	1,050	1,050	1,050	750	1,750	1,050
Non-Current Assets:								
Property and equipment (net of accumulated depreciation)	124,858	294	35,651	72,451	26,430	5,254	81,947	16,536
Total Assets	\$ 4,683,729	\$ 8,904	\$ 2,584,159	\$ 3,855,491	\$ 1,640,226	\$ 205,280	\$ 1,141,554	\$ 6,777,202
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts payable and accrued expenses	\$ 2,420,869	\$ 24,715	\$ 84,717	\$ 48,407	\$ 48,000	\$ 46,789	\$ 44,803	\$ 82,887
Due to other governments	-	-	-	25,513	79,000	-	-	25,513
Deferred revenues	-	-	-	-	-	-	-	-
Due to pooled cash	6,946,340	154,224	-	-	-	111,142	-	-
Total Current Liabilities	9,367,209	179,939	84,717	73,920	127,000	157,931	44,803	108,400
Net Assets:								
Unrestricted	(4,683,480)	(17,035)	2,499,442	3,781,571	1,513,226	47,349	1,096,751	6,668,802
Total Liabilities and Net Assets	\$ 4,683,729	\$ 8,904	\$ 2,584,159	\$ 3,855,491	\$ 1,640,226	\$ 205,280	\$ 1,141,554	\$ 6,777,202

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION BY SCHOOL**  
**June 30, 2008 and 2007 (Totals Only)**

		2008								2007	
		Special Revenue Funds									
ASSETS	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker	Interfund Eliminations	Total	Total
Current Assets:											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,539,592	\$ 6,375,406
Prepaid expenses	-	-	-	-	-	-	-	-	-	275,988	129,152
Accounts receivable	-	-	-	-	-	-	-	-	-	9,649	6,202
Intergovernmental receivables	-	309,140	1,924,634	1,622,224	1,524,708	1,154,393	1,318,051	3,134,471	-	11,022,971	4,320,582
Other receivables	-	-	-	36	-	-	-	274	-	2,067,903	89,089
Due from pooled cash	-	-	-	-	-	-	-	-	(13,598,252)	-	-
Total Current Assets	-	309,140	1,924,634	1,622,260	1,524,708	1,154,393	1,318,051	3,134,745	(13,598,252)	17,916,103	10,920,431
Other Assets:											
Deposits	-	-	-	-	-	-	-	-	-	6,700	6,700
Non-Current Assets:											
Property and equipment (net of accumulated depreciation)	2,525	129,690	644,890	583,712	531,987	149,161	335,872	1,217,027	-	3,958,285	573,220
Total Assets	\$ 2,525	\$ 438,830	\$ 2,569,524	\$ 2,205,972	\$ 2,056,695	\$ 1,303,554	\$ 1,653,923	\$ 4,351,772	\$ (13,598,252)	\$ 21,881,088	\$ 11,500,351
LIABILITIES AND NET ASSETS											
Current Liabilities:											
Accounts payable and accrued expenses	\$ -	\$ 5,410	\$ 208,339	\$ 312,421	\$ 99,172	\$ 11,973	\$ 24,164	\$ 14,311	\$ -	\$ 3,477,677	\$ 2,412,898
Due to other governments	-	-	-	17,000	-	-	-	-	-	130,026	234,539
Deferred revenues	5,446	-	-	805,205	1,074,705	858,389	912,793	2,316,810	-	22,446	224,506
Due to pooled cash	107,699	379,983	1,368,715	-	-	-	-	-	(13,598,252)	1,437,755	777,158
Total Current Liabilities	113,145	385,395	1,577,054	1,134,626	1,173,877	870,362	936,957	2,331,121	(13,598,252)	5,067,904	3,649,101
Net Assets:											
Unrestricted	(110,620)	53,435	992,470	1,071,646	882,818	433,192	716,966	2,020,651	-	16,813,184	7,851,250
Total Liabilities and Net Assets	\$ 2,525	\$ 438,830	\$ 2,569,524	\$ 2,205,972	\$ 2,056,695	\$ 1,303,554	\$ 1,653,923	\$ 4,351,772	\$ (13,598,252)	\$ 21,881,088	\$ 11,500,351

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF ACTIVITIES BY SCHOOL**  
**For the Years Ended June 30, 2008 and 2007 (Totals Only)**

2008

	School Funds							
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker
UNRESTRICTED NET ASSETS								
Public Support and Other Revenues								
Unrestricted grants in aid - State	\$ -	\$ 722,869	\$ 1,645,526	\$ 1,855,497	\$ 1,348,672	\$ 1,421,291	\$ 1,465,856	\$ 2,948,546
Restricted grants in aid - Federal and State	-	-	-	-	-	-	-	154,189
Donations	21,597	650	18,766	2,178	4,897	955	10,856	-
Miscellaneous revenue	219,288	870,772	2,721,308	2,963,501	2,229,091	1,925,063	2,463,799	4,688,589
Total Public Support and Other Revenues	240,885	1,594,291	4,385,600	4,821,176	3,582,660	3,347,309	3,940,511	7,791,324
Expenses								
Program services:								
Instructional	5,753	924,039	2,233,174	2,249,379	1,534,811	1,823,324	1,659,603	2,736,458
Supporting services:								
Management and general	2,338,577	824,752	1,326,073	1,354,901	1,149,367	1,094,621	1,098,895	1,952,211
Total Expenses	2,344,330	1,748,791	3,559,247	3,604,280	2,684,178	2,917,945	2,758,499	4,688,669
Increase/(Decrease) in unrestricted net assets	(2,103,445)	(154,500)	826,353	1,216,896	898,482	429,364	1,182,012	3,102,655
Net assets at beginning of fiscal year	(2,580,035)	(16,535)	1,673,089	2,564,675	614,744	(382,015)	(85,261)	3,566,147
Net assets at end of fiscal year	\$ (4,683,480)	\$ (171,035)	\$ 2,499,442	\$ 3,781,571	\$ 1,513,226	\$ 47,349	\$ 1,096,751	\$ 6,668,802

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF ACTIVITIES BY SCHOOL**  
**For the Years Ended June 30, 2008 and 2007 (Totals Only)**

	2008						2007			
	Special Revenue Funds									
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonough	Tubman	Walker	Total	Total
<b>UNRESTRICTED NET ASSETS</b>										
Public Support and Other Revenues										
Unrestricted grants in aid - State	\$ -	\$ -	\$ 236,830	\$ 15,990	\$ 251,550	\$ 233,064	\$ 344,957	\$ 37,164	\$ 12,527,812	\$ 19,104,885
Restricted grants in aid - Federal and State	14,071	541,035	2,476,314	2,319,146	1,956,342	1,573,978	1,804,468	3,680,874	14,520,417	4,573,711
Donations	-	122,280	10,000	17,000	-	-	17,000	15,000	241,179	344,057
Miscellaneous revenue	4,613	-	-	-	-	-	-	-	18,086,024	320,731
Total Public Support and Other Revenues	18,684	663,315	2,723,144	2,352,136	2,207,892	1,807,042	2,166,425	3,733,038	45,375,432	24,343,384
<b>Expenses</b>										
Program services:										
Instructional	32,473	205,401	921,536	624,221	697,974	634,315	698,136	1,140,534	18,121,131	14,936,063
Supporting services:										
Management and general	91,815	403,149	1,300,136	1,218,316	966,599	890,678	1,010,528	1,271,748	18,292,367	10,640,209
Total Expenses	124,288	608,550	2,221,672	1,842,537	1,664,573	1,524,993	1,708,664	2,412,282	36,413,498	25,576,272
Increase/(Decrease) in unrestricted net assets	(105,604)	54,765	501,472	509,599	543,319	282,049	457,761	1,320,756	8,961,934	(1,232,888)
Net assets at beginning of fiscal year	(5,016)	(1,330)	490,998	562,047	339,499	151,143	259,205	699,895	7,851,250	9,084,138
Net assets at end of fiscal year	\$ (110,620)	\$ 53,435	\$ 992,470	\$ 1,071,646	\$ 882,818	\$ 433,192	\$ 716,966	\$ 2,020,651	\$ 16,813,184	\$ 7,851,250

See accompanying notes to financial statements.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**STATEMENT OF EXPENSES BY SCHOOL**  
**For the Years Ended June 30, 2008 and 2007 (Totals Only)**

2008

Expenses	School Funds						
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker
Food service management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	8,978	10,361	25,247	24,228	19,163	18,279	44,312
Other	57,439	76,086	301,684	295,229	171,102	175,919	417,786
Professional services	530,048	21,373	25,657	36,779	21,954	19,610	62,859
Rent	80,283	10,315	6,913	8,973	7,355	11,291	47,882
Repairs and maintenance	2,749	25,514	45,957	66,873	117,525	44,084	65,571
Salaries and benefits	1,554,474	1,537,027	2,905,104	2,968,921	2,197,396	2,467,680	3,754,534
Supplies	34,863	16,692	31,412	36,050	33,670	57,178	109,629
Transportation	-	11,864	83,353	75,115	38,693	38,964	106,974
Travel	26,366	7,904	5,522	8,039	13,839	5,011	15,944
Utilities	49,130	31,655	128,398	84,073	63,481	79,929	63,178
Total Expenses	\$ 2,344,330	\$ 1,748,791	\$ 3,559,247	\$ 3,604,280	\$ 2,684,178	\$ 2,917,945	\$ 4,688,669

2008

Expenses	Special Revenue Funds						
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Total
Food service management	\$ -	\$ 54,603	\$ 237,608	\$ 229,418	\$ 195,804	\$ 195,080	\$ 1,265,145
Insurance	457	701	3,597	1,861	3,099	2,507	189,556
Other	3,859	35,861	166,685	149,630	135,662	39,414	2,761,082
Professional services	614	29,945	117,847	122,405	76,111	66,870	1,323,699
Rent	-	-	1,125	-	43	43	185,417
Repairs and maintenance	-	1,833	32,713	11,903	4,108	10,754	537,217
Salaries and benefits	113,870	164,206	946,184	527,871	801,753	669,610	24,766,703
Supplies	4,309	59,089	259,805	383,567	170,935	214,859	1,885,166
Transportation	-	218,848	231,568	308,313	211,195	180,812	2,086,436
Travel	1,179	43,464	224,540	107,569	65,863	145,044	882,156
Utilities	-	-	-	-	-	-	530,921
Total Expenses	\$ 124,288	\$ 608,550	\$ 2,221,672	\$ 1,842,537	\$ 1,664,573	\$ 1,524,991	\$ 36,413,498

See accompanying notes to financial statements.



## **PERFORMANCE STATISTICAL DATA**

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors of  
**Algiers Charter Schools Association**  
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Algiers Charter Schools Association (ACSA) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of ACSA and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. ACSA is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

#### Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2007.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2007 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

#### Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application).

#### Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2007 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

#### Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

#### Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2007 roll

books for those classes and determined that the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) for the 21<sup>st</sup> Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA.

The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by ACSA.

No exceptions were found as a result of applying the above procedures.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Algiers Charter Schools Association, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebowe & Company*

December 16, 2008

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2008**  
**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 9,606,514	
Other Instructional Staff Activities	1,054,040	
Employee Benefits	2,197,996	
Purchased Professional and Technical Services	17,362	
Instructional Materials and Supplies	206,299	
Less: Instructional Equipment	(57,988)	
Total Teacher and Student Interaction Activities		13,024,224

Other Instructional Activities		14,786
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Pupil Support Activities	1,661,252	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,661,252

Instructional Staff Services	926,650	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		926,650

School Administration	334,632	
Less: Equipment for School Administration	-	
Net School Administration		334,632

Total General Fund Instructional Expenditures		<u>\$ 15,961,544</u>
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Total General Fund Equipment Expenditures		<u>\$ 57,988</u>
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**Certain Local Revenue Sources**

Note: Algiers Charter Schools Association, Inc. receives local revenues from the Orleans Parish School Board passed through the Recovery School District. ACSA does not receive a detailed schedule of the source of these revenues. This section is not applicable to charter schools.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**Education Levels of Public School Staff**  
**As of October 1, 2007**  
**Schedule 2**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	1%	-	0%	-	0%	NA	NA
Bachelor's Degree	125.5	68%	32.5	89%	-	0%	NA	NA
Master's Degree	51	28%	4	11%	11	73%	NA	NA
Master's Degree + 30	6	3%	-	0%	3	20%	NA	NA
Specialist in Education	-	0%	-	0%	-	0%	NA	NA
Ph. D. or Ed. D.	-	0%	-	0%	1	7%	NA	NA
Total	183.5	100%	36.5	100%	15	100%		

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**Number and Type of Public Schools**  
**For the Year Ended June 30, 2008**  
**Schedule 3**

Type	Number
Elementary	5
Middle/Jr. High	N/A
Secondary	2
Combination	N/A
<b>Total</b>	<b>7</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

Disclosure: We only tested schools which offered a curriculum  
higher than Kindergarten and did not exceed the twelfth grade level.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2007**  
**Schedule 4**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	2	2	3	1	-	8
Principals	-	-	-	4	-	2	1	7
Classroom Teachers	35	28	66	21	19	14	38	220
<b>Total</b>	<b>35</b>	<b>28</b>	<b>68</b>	<b>27</b>	<b>22</b>	<b>17</b>	<b>39</b>	<b>235</b>



**ALGIERS CHARTER SCHOOLS ASSOCIATION**

**Public School Staff Data**

**For the Year Ended June 30, 2008**

**Schedule 5**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Retired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	44,472	43,768
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	44,370	43,708
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	218	191

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (ex. extended medical leave); and ROTC teachers receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**Disclosure:** Information was obtained from the Data Verification Report for the 2007-2008 school year.

# ALGIERS CHARTER SCHOOLS ASSOCIATION

## Class Size Characteristics

As of October 1, 2007

### Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	52%	256	47%	233	2%	8	-	-
Elementary Activity Classes	40%	33	43%	35	5%	4	12%	10
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	40%	128	15%	47	28%	90	17%	56
High Activity Classes	62%	23	5%	2	24%	9	8%	3
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
**For the Year Ended June 30, 2008**  
**Schedule 7**

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>																
Advanced	7	3%	7	3%	1	0%	1	0%	-	0%	-	0%	-	0%	-	0%
Mastery	33	13%	23	11%	24	9%	15	7%	8	3%	4	2%	16	6%	7	3%
Basic	99	38%	91	43%	92	36%	71	33%	76	30%	64	30%	86	34%	79	37%
Approaching Basic	67	26%	41	19%	60	23%	42	20%	96	38%	82	38%	67	26%	53	25%
Unsatisfactory	52	20%	52	24%	81	32%	85	40%	75	29%	65	30%	89	34%	76	35%
<b>Total</b>	<b>258</b>	<b>100%</b>	<b>214</b>	<b>100%</b>	<b>258</b>	<b>100%</b>	<b>214</b>	<b>100%</b>	<b>255</b>	<b>100%</b>	<b>215</b>	<b>100%</b>	<b>258</b>	<b>100%</b>	<b>215</b>	<b>100%</b>

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>																
Advanced	-	0%	2	1%	-	0%	2	1%	-	0%	-	0%	-	0%	-	0%
Mastery	11	5%	5	3%	2	1%	4	2%	6	3%	18	11%	2	1%	15	9%
Basic	90	42%	66	41%	75	35%	75	47%	51	24%	58	36%	74	35%	68	42%
Approaching Basic	84	39%	68	42%	78	36%	39	24%	78	36%	53	33%	81	37%	43	27%
Unsatisfactory	29	14%	21	13%	60	28%	42	26%	79	37%	33	20%	57	27%	36	22%
<b>Total</b>	<b>214</b>	<b>100%</b>	<b>162</b>	<b>100%</b>	<b>215</b>	<b>100%</b>	<b>162</b>	<b>100%</b>	<b>214</b>	<b>100%</b>	<b>162</b>	<b>100%</b>	<b>214</b>	<b>100%</b>	<b>162</b>	<b>100%</b>

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**The Graduation Exit Exam for the 21st Century**  
**For the Year Ended June 30, 2008**  
**Schedule 8**

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10 &amp; 11</b>																
Advanced	1	0%	-	0%	5	2%	-	0%	-	0%	-	0%	-	0%	-	0%
Mastery	7	3%	1	0%	23	8%	18	8%	4	2%	1	1%	-	0%	2	1%
Basic	58	21%	60	25%	76	28%	91	38%	53	24%	23	13%	65	30%	85	49%
Approaching Basic	62	23%	73	31%	58	21%	45	19%	58	26%	66	37%	47	21%	46	26%
Unsatisfactory	144	53%	105	44%	110	41%	83	35%	105	48%	85	49%	107	49%	42	24%
<b>Total</b>	<b>272</b>	<b>100%</b>	<b>239</b>	<b>100%</b>	<b>272</b>	<b>100%</b>	<b>237</b>	<b>100%</b>	<b>220</b>	<b>100%</b>	<b>175</b>	<b>100%</b>	<b>219</b>	<b>100%</b>	<b>175</b>	<b>100%</b>

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**Integrated Louisiana Educational Assessment Program (ILEAP)**  
**For the Year Ended June 30, 2008**  
**Schedule 9**

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>																
Advanced	4	2%	1	0%	1	0%	2	1%	-	0%	-	0%	1	0%	-	0%
Mastery	27	11%	8	4%	15	6%	7	3%	3	1%	3	1%	17	7%	9	4%
Basic	76	32%	60	28%	69	29%	46	21%	63	26%	41	19%	86	36%	60	28%
Approaching Basic	61	25%	58	27%	56	24%	57	26%	82	35%	90	43%	71	30%	67	31%
Unsatisfactory	73	30%	89	41%	95	41%	104	49%	90	38%	80	37%	62	27%	79	37%
<b>Total</b>	<b>241</b>	<b>100%</b>	<b>216</b>	<b>100%</b>	<b>236</b>	<b>100%</b>	<b>216</b>	<b>100%</b>	<b>238</b>	<b>100%</b>	<b>214</b>	<b>100%</b>	<b>237</b>	<b>100%</b>	<b>215</b>	<b>100%</b>

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>																
Advanced	7	4%	1	0%	10	5%	1	0%	-	0%	-	0%	-	0%	-	0%
Mastery	18	10%	6	2%	7	4%	4	2%	6	3%	5	2%	13	7%	4	2%
Basic	67	35%	49	19%	63	34%	51	19%	51	27%	40	15%	76	40%	69	26%
Approaching Basic	42	22%	69	27%	32	17%	47	18%	77	42%	95	36%	47	25%	73	28%
Unsatisfactory	54	29%	138	52%	76	40%	159	61%	53	28%	122	47%	52	28%	115	44%
<b>Total</b>	<b>188</b>	<b>100%</b>	<b>263</b>	<b>100%</b>	<b>188</b>	<b>100%</b>	<b>262</b>	<b>100%</b>	<b>187</b>	<b>100%</b>	<b>262</b>	<b>100%</b>	<b>188</b>	<b>100%</b>	<b>261</b>	<b>100%</b>

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>																
Advanced	5	2%	-	0%	1	0%	1	0%	1	0%	1	0%	1	0%	-	0%
Mastery	11	4%	22	10%	7	3%	5	2%	3	1%	3	1%	2	1%	4	2%
Basic	70	29%	74	32%	71	29%	91	40%	73	30%	81	35%	70	29%	68	30%
Approaching Basic	77	31%	62	27%	44	18%	42	18%	97	39%	84	37%	91	37%	77	33%
Unsatisfactory	84	34%	72	31%	124	50%	91	40%	73	30%	61	27%	81	33%	81	35%
<b>Total</b>	<b>247</b>	<b>100%</b>	<b>230</b>	<b>100%</b>	<b>247</b>	<b>100%</b>	<b>230</b>	<b>100%</b>	<b>247</b>	<b>100%</b>	<b>230</b>	<b>100%</b>	<b>245</b>	<b>100%</b>	<b>230</b>	<b>100%</b>

*(Continued)*

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**Integrated Louisiana Educational Assessment Program (iLEAP)**  
**For the Year Ended June 30, 2008**  
**Schedule 9**

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>																
Advanced	1	0%	1	1%	-	0%	-	0%	-	0%	1	1%	-	0%	1	1%
Mastery	26	11%	7	4%	1	0%	3	2%	6	3%	7	4%	5	2%	7	4%
Basic	77	32%	67	34%	81	34%	58	30%	78	33%	53	27%	102	42%	70	36%
Approaching Basic	78	33%	75	38%	64	27%	57	29%	86	36%	74	37%	71	30%	61	31%
Unsatisfactory	57	24%	45	23%	93	39%	77	39%	68	28%	60	31%	61	26%	55	28%
<b>Total</b>	<b>239</b>	<b>100%</b>	<b>195</b>	<b>100%</b>	<b>239</b>	<b>100%</b>	<b>195</b>	<b>100%</b>	<b>238</b>	<b>100%</b>	<b>195</b>	<b>100%</b>	<b>239</b>	<b>100%</b>	<b>194</b>	<b>100%</b>

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2008		2007		2008		2007		2008		2007		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 9</b>																
Advanced	-	0%	-	0%	1	0%	-	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	1	0%	-	0%	4	2%	1	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	68	30%	22	12%	63	29%	28	16%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	94	43%	81	47%	62	28%	45	26%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	60	27%	71	41%	91	41%	100	57%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>223</b>	<b>100%</b>	<b>174</b>	<b>100%</b>	<b>221</b>	<b>100%</b>	<b>174</b>	<b>100%</b>								

*(Concluded)*

**OMB CIRCULAR A-133 COMPLIANCE AND  
GOVERNMENT AUDITING STANDARDS REPORTS**

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS  
A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
**Algiers Charter Schools Association**  
New Orleans, Louisiana

We have audited the Statement of Financial Position and the related Statements of Activities and Cash Flows of Algiers Charter Schools Association ("ACSA"), as of and for the years ended June 30 2008 and 2007, and the Statement of Functional Expenses for the year ended June 30, 2008 which collectively comprise ACSA's basic financial statements and have issued our report thereon dated December 16, 2008. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered ACSA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects ACSA's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of ACSA's



financial statements that is more than inconsequential will not be prevented or detected by ACSA's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by ACSA's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency, Item 2008-1, to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACSA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of ACSA's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Reboue & Company*

December 16, 2008

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Directors  
**Algiers Charter Schools Association**  
New Orleans, Louisiana

### Compliance

We have audited the compliance of Algiers Charter Schools Association ("ACSA") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. ACSA's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of ACSA's management. Our responsibility is to express an opinion on ACSA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACSA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on ACSA's compliance with those requirements.

In our opinion, ACSA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of ACSA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered ACSA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for expressing an opinion on the effectiveness of ACSA's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of ACSA as of and for the year ended June 30, 2008 and have issued our report thereon dated December 16, 2008. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise ACSA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of ACSA. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

ACSA's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit ACSA's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Algiers Charter Schools Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebove & Company*

December 16, 2008

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2008**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
Passed-Through State Department of Education:		
ESEA of 1965, Title I, Part A	84.010	\$ 7,215,755
IDEA, Part B	84.027	1,157,500
IDEA, Pre-K	84.173	9,915
ESEA, Title IV, Part A	84.186	3,430
Charter Schools	84.282	520,586
21st Century	84.287	88,765
ESEA of 1965, Title V, Part A	84.298	44,288
ESEA of 1965, Title II, Part A	84.367	572,105
HERA, Restart	84.938	2,117,058
Hurricane Katrina Foreign Contributions	84.940	1,027,139
Passed-Through Louisiana Endowment for the Humanities:		
Teaching American History	84.215	57,164
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$ 12,813,705</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Agriculture:		
National School Lunch Program		
Free and Reduced Price Meals	10.555	\$ 1,335,194
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 1,335,194</u>
<u>U.S. Department of Health and Human Services</u>		
Passed-Through State Department of Health and Human Services:		
Temporary Assistance for Needy Families (TANF)	93.558	\$ 1,068,233
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>\$ 1,068,233</u>

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**For the Year Ended June 30, 2008**

Other Programs

Passed-Through Alvin Callender Air Force Base:

Reserve Officer Training Corp. (ROTC)	99.999	\$	<u>154,189</u>
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TOTAL OTHER PROGRAMS		\$	<u>154,189</u>
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TOTAL FEDERAL ASSISTANCE		\$	<u><u>15,371,321</u></u>
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The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**FOOTNOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**Year Ended June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIC OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

**2. ACCRUED AND DEFERRED REIMBURSEMENT**

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

**3. PAYMENTS TO SUBRECIPIANTS**

There were no payments to subrecipients for the year ended June 30, 2008.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2008**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the Algiers Charter Schools Association.
2. One (1) control deficiency disclosed during the audit of the financial statements is reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*. The control deficiency identified is considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of Algiers Charter Schools Association are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No material weaknesses relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter Schools Association expresses an unqualified opinion.
6. The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. A management letter was not issued for the year ended June 30, 2008.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
ESEA of 1965, Title I, Part A	84.010
Hurricane Katrina Foreign Contributions	84.940
9. The threshold for distinguishing between type A and type B programs was \$300,000.
10. Algiers Charter Schools Association was determined to be a high-risk auditee.



**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended June 30, 2008**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**MATERIAL WEAKNESS**

**Finding 2008-1 - NET ASSETS**

Observation:

Our review of the client prepared June 30, 2008 unadjusted trial balance revealed that net assets (unrestricted and temporarily restricted) did not agree to the prior fiscal year's audited financial statements. As a result, material audit adjustments were required to properly state beginning net assets in agreement with prior period ending balances in the audited financial statements.

Recommendation:

We recommend that ACSA develop and implement internal control procedures as it relates to net assets to ensure that net assets are properly recorded at fiscal year end. Also, it is imperative that policies and procedures be put into place to record any restrictions on net assets and monitor compliance with them.

Management's Corrective Action Plan:

We are developing an accounting manual which will outline procedures to ensure we properly record and monitor net assets and their restrictions.

Contact:

Robert Fulton, Chief Financial Officer, (504) 393-0926.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS**

There were no findings required to be reported in this section.

**ALGIERS CHARTER SCHOOLS ASSOCIATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**Finding 07-01**

The report was not submitted to the legislative auditor's office on a timely basis.

**Recommendation**

The Algiers Charter Schools Association should submit to the legislative auditor's office on a timely basis.

**Current Year Status**

Resolved

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL  
AWARD PROGRAMS**

There were no findings required to be reported in this section.

**SECTION III - MANAGEMENT LETTER**

A management letter was not issued for the year ended June 30, 2007.

**ALGIERS CHARTER SCHOOLS ASSOCIATION**  
**COMMUNICATION OF INTERNAL CONTROL MATTERS**  
**For the Year Ended June 30, 2008**

## TABLE OF CONTENTS

	<u>Page</u>
<b>REPORT .....</b>	<b>1</b>
<b>COMMUNICATION OF MATERIAL WEAKNESSES AND SIGNIFICANT DEFICIENCIES</b>	
<b>Material Weakness</b>	
Net Assets .....	1

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December 16, 2008

President and Board of Directors  
**Algiers Charter Schools Association**  
New Orleans, Louisiana

In planning and performing our audit of the financial statements of Algiers Charter Schools Association ("ACSA") for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered ACSA's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACSA's internal control. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in ACSA's internal control to be material weaknesses:

2008-1    NET ASSETS

Observation:

Our review of the client prepared June 30, 2008 unadjusted trial balance revealed that net assets (unrestricted and temporarily restricted) did not agree to the prior fiscal year's audited financial statements. As a result, material audit adjustments were required to properly state beginning net assets in agreement with prior period ending balances in the audited financial statements.

2008-1    NET ASSETS (CONTINUED)

Recommendation:

We recommend that ACSA develop and implement internal control procedures as it relates to net assets to ensure that net assets are properly recorded at fiscal year end. Also, it is imperative that policies and procedures be put into place to record any restrictions on net assets and monitor compliance with them.

Management's Corrective Action Plan:

We are developing an accounting manual which will outline procedures to ensure we properly record and monitor net assets and their restrictions.

This communication is intended solely for the information and use of the Operations and Administrative Committee, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Rebowe & Company*